

Message Text

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ACTION EB-08

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TO SECSTATE WASHDC IMMEDIATE 8179
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E.O. 11652: N/A
TAGS: ETRD, CY
SUBJECT: FOREIGN BOYCOTTS: EAA REGULATIONS

1. SUMMARY: U.S. EXPORTER HAS INTERPRETED EAA
REGULATIONS TO COVER GOC LAW PROHIBITING USE OF
TURKISH CYPRIOT CONTROLLED PORTS IN NORTHERN CYPRUS.
REQUEST DEPARTMENT GUIDANCE. END SUMMARY.

2. ALL COMMERCIAL BANKS IN CYPRUS INCLUDE
SOME FORM OF FOLLOWING STATEMENT ON ALL LETTERS OF
CREDIT (L/C) ISSUED BY THEM. BEGIN QUOTE: THE FOLLOWING
CLAUSE SHOULD BE INCORPORATED ON THE BILL OF LADING:
"VESSEL IS NOT SCHEDULED TO CALL ON ITS CURRENT VOYAGE
AT THE PORTS OF FAMAGUSTA, KYRENIA AND KARAVOSTASSI,
CYPRUS." END QUOTE. STATEMENT IS INCLUDED AS RESULT OF
BANKS' INTERPRETATION OF GOC LAW DECLARING THESE THREE PORTS
"UNLAWFUL PORTS OF ENTRY" AS THEY HAVE NOT BEEN UNDER GOC
CONTROL SINCE TURKISH MILITARY INTERVENTION OF 1974.

3. LOCAL IMPORTER HAS COMPLAINED TO EMBASSY THAT U.S.
EXPORTER REFUSES TO PROCESS HIS ORDER BECAUSE L/C
CONTAINS ABOVE MENTIONED CLAUSE. U.S.FIRM STATES THAT
ALTHOUGH STEAMSHIP LINE DOES NOT INTEND TO STOP AT
ANY OF THREE SPECIFIED PORTS, IT CANNOT SUPPLY STATEMENT
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TO THAT EFFECT. ALSO U.S. BANK CANNOT PAY ON ANY L/C
WHICH CONTAINS "BOYCOTT CLAUSE". U.S. EXPORTER REQUESTS
THAT CLAUSE BE DELETED FROM L/C AND EXPRESSES REGRET
OVER DELAY CAUSED BY COMPLIANCE WITH NEW ANTI-
BOYCOTT REGULATIONS.

4. COMMENT: IT APPEARS FROM OUR READING OF DEPARTMENT

GUIDANCE ON EAA THAT U.S. EXPORTER MAY BE MISINTERPRETING U.S. ANTI-BOYCOTT REGULATIONS. GOC, AS THE LEGALLY RECOGNIZED GOVERNMENT OF CYPRUS, HAS ATTEMPTED IMPOSE SOME FORM OF CONTROL OVER THREE AFOREMENTIONED PORTS. HOWEVER IT SHOULD BE NOTED THAT THIS ACTION IS PART OF GENERAL PROGRAM AIMED AT ISOLATING TURKISH-CYPRIOT ADMINISTERED PART OF ISLAND FROM ECONOMIC/COMMERCIAL/ POLITICAL RELATIONS WITH REST OF WORLD. THIS ACTION HAS INCLUDED ATTEMPTS TO OBTAIN INJUNCTIONS IN U.K. AND HOLLAND AGAINST ECONOMIC INTERCOURSE WITH TURKISH CYPRIOT AREA, ARREST OF DANISH AND EGYPTIAN CAPTAINS OF SHIPS THAT HAVE CALLED AT TURKISH CYPRIOT PORTS AND BLOCKING OF ICAA APPROVAL OF TURKISH CYPRIOTS' ERCAN AIRPORT. END COMMENT.

5. REQUEST DEPARTMENT GUIDANCE AS TO WHETHER GOC LAW AND CENTRAL BANK REGULATIONS UNDER THAT LAW CONFLICT WITH U.S. ANTI-BOYCOTT REGULATIONS. IF NOT REQUEST USDOC IMMEDIATELY CONTACT P.F. BRUNGER EXPORT CO., 245 SOUTHWEST 31ST STREET, FORT LAUDERDALE, FLA. 33315 (TEL 305-525-3379), INFORM THEM OF APPROPRIATE INTERPRETATION, AND REQUEST THAT THEY NOTIFY CYPRIOT IMPORTER, INTERSPORT ALPINE AND MARINE LTD., THAT SHIPMENT WILL BE MADE IMMEDIATELY. IF SHIPMENT CANNOT BE MADE PROMPTLY INTERSPORT WILL HAVE TO CANCEL ORDER AS SUMMER SALES SEASON ALMOST OVER.
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STONE

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Message Attributes

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